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ABSTRACT

This paper examines the implicit assumption that student-centered learning is most appropriately and adequately financed by channelling public resources through students. Emphasis is placed both on the conceptual arguments related to the adequacy and appropriateness of the market model as a policy basis for higher education, and on empirical evidence tending to support or deny the adequacy and appropriateness of the student funding model, or market model, to the day-to-day functioning of postsecondary institutions. (MJM)

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FINANCING LEARNER-CENTERED REFORMS*

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The literature on postsecondary finance today is replete with statements connecting institutional reform and responsiveness to the particular funding strategy of channelling public resources through students. Most such statements imply a kind of free market approach to higher education finance, whereby students act as consumers and institutions as firms, with the former making their product demands known and the latter responding as in a competitive market system.

What the drafters of these statements appear to have in mind is the notion that students can cause colleges and universities to be more responsive by influencing how instructional monies are spent. The evidence for this assumption exists in many places in the literature, but perhaps nowhere is it more clearly stated than in the following passage from a financial planning document of the Department of Health, Education and Welfare:

> The fundamental premise of this paper is that a freer play of market forces will best achieve Federal objectives in post-secondary education. These objectives are . . . reform and efficiency in the way education is provided and a better match between educational programs and individual needs.
>
> Since students have a large stake in each of these objectives, student market choices will, with rare exceptions, be coincident with federal goals. Students will tend to allocate (student aid) resources placed in their hands among the institutions and programs which achieve these objectives most efficiently. Accountability through student choice will, accordingly, make institutions and programs accountable to the national interest . . .
>
> Accordingly, this paper describes what we should do to give individuals the general power of choice in the education market place . . .[1]

Presumably, the phrase, "financing learner-centered reforms," suggests the student funding or market strategy. Clearly conveyed, at the least, is the notion

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1. Taken from the MEGA Documents, a series of papers prepared by the HEW staff to formulate basis HEW policies (Circa, 1972):

that some unconventional or at least out-of-the-ordinary funding strategy is required if proper attention is to be given to the learner's needs and desires.

Another reason for presuming that the student funding mode is the strategy implied by the phrase, financing learner-centered reforms, involves the simple process of elimination. Of the numerous funding strategies now in use or suggested over the past few years, only the student funding mode has been discussed primarily in the learner-centered context. The rationales of general institutional aid, categorical institutional aid, private grants and bequests, and the various tax incentives and credits recently proposed do not hint of learner-centered reforms.[2] Categorical grants for instructional innovation might be considered a possibility in this regard although it is evident that the potential amount of funding from this source would be insufficient to provide more than "seed money" or "start-up" financing.

Thus, the purpose of this paper is to examine the implicit assumption that student-centered learning is most appropriately and adequately financed by channelling public resources through students.

The Market Model: The reason it has been deemed appropriate to the purposes of this paper to establish the student funding mode as the implicit strategy for financing student-centered learning is that if policy analysis of financing strategies is to be valid, it is necessary to reduce these strategies to some sort of theoretical construct about which some knowledge and understanding exists. The student-as-consumer, institution-as-firm concept, directly alluded to above, is one such construct although it is perhaps better known by the label "the perfectly competitive market model," or simply "the market model." Having reduced the student funding mode to a theoretical construct, it is now possible to render some valid observations.

The remainder of this paper will be organized as follows: First shall be presented the conceptual arguments related to the adequacy and appropriateness of the market model as a policy basis for higher education. Because these arguments have been presented elsewhere[3] they shall only be summarized here.

Second, shall be presented the empirical evidence tending to support or deny the adequacy and appropriateness of the student funding mode, or market model, to the day-to-day functioning of postsecondary institutions. Here we shall rely heavily upon anecdotal evidence that has resulted as institutions have responded to the changing higher education environment. Finally, we shall conclude with some observations concerning some of the broader consequences of a turn to the student funding mode, and with out conclusions regarding what would appear to be good financing policy for learner-centered reforms.**

**It is presumed that the meaning of the term, "learner-centered reforms," as the theme of this conference, is implicitly if not explicitly understood. We assume that the phrase connotes instructional and programmatic innovations developed specifically to meet the instructional needs and desires of students.

2. Larry L. Leslie, The Rationale for Various Plans for Funding American Higher Education, (University Park: Center for the Study of Higher Education, 1972).

3. Larry L. Leslie and Cary P. Johnson, "The Market Model and Higher Education," the Journal of Higher Education, 45 (January 1974): 1-20.

THE ADEQUACY AND APPROPRIATENESS OF THE MARKET MODEL TO HIGHER EDUCATION[4]

Presented in this section is the conceptual portion of the analysis. It is shown here that the perfectly competitive market model appears conceptually to be inappropriate and inadequate as a policy basis for higher education. Because of the inappropriateness and inadequacy of the model, it is suggested that the student funding strategy is not likely to achieve fully the desired results of enhancing learner-centered reforms.

It must be stated at the outset that a model is merely an analytical tool, useful only as a frame of reference. No situations or structures exist that illustrate completely the hypothetical elements of any model; the test of a model must be relative rather than absolute. Thus, the test of the adequacy and appropriateness of the market model to higher education is "goodness of fit," rather than absolute congruence with all the conditions of the model.

The perfectly competitive market model is built upon two fundamental assumptions: First, the firm (i.e., the college or university) has no influence over price (e.g., tuition) and accepts whatever price happens to rule in the market place. Second, any firm (i.e., college or university) is totally free either to begin or to cease operation.

Little discussion is required to show that neither of these assumptions are approximated in higher education. Instead of passively accepting the "market price" for their services, many colleges, especially the public ones, set their prices (tuitions) with very little if any concern for competitive pricing. Even the private colleges, which today do give consideration to tuition pricing, can scarcely be said to be passive acceptors of prevailing market prices.

Further, there exists formidable legal, quasi-legal, financial and political constraints upon the ability of a higher education institution to enter into or exit from the higher education market. Problems in the gaining of charters and accreditation, and certain powers of legislatures and of state governing and coordinating bodies are examples of such constraints.

In addition there are certain methodological aspects of the market model that must be considered: (1) At what point does a particular market move from being noncompetitive or imperfectly competitive to being perfectly competitive? (2) What will cause a market to become competitive? (3) At what point does the degree of competition present lead to "optimum" production (costs kept to a minimum, output maximized and resources used most efficiently)?

The direct answer is that presently there exists neither the actual nor the theoretical knowledge sufficient to answer these questions--about higher education or about any system. The theoretical knowledge necessary to generate a competitive market is not presently known.[5]

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4. This section draws heavily upon the Leslie and Johnson paper, "The Market Model and Higher Education," cited in the previous footnote.

5. For a detailed analysis and discussion concerning this statement see Lloyd G. Reynolds, Economics, 3rd ed. (Homewood, Illinois: Richard D. Irwin, Inc., 1969), Chapters 17-19.

In the absence of this knowledge, it becomes imperative that congruence between the conditions of the system undergoing analysis--higher education--and the analytical tool--the market model--be approached if not totally attained. As seen above, this "fit" is far from perfect congruence.

The third of these methodological questions is troublesome in a special regard. Optimum production[6] depends most directly upon the satisfaction of at least two conditions obviously not present in higher education. There can be no monopolies or oligopolies and there can be no divergence between private and social costs nor between private and social benefits.

Colleges and universities often act as virtual monopolists or quasi-monopolists. With the exception of the case of a few "distinctive" colleges, higher education markets tend to be mostly regional within a state, or to be state-wide at most.[7] The number of institutions competing for students within a given higher education "market area" is almost always insufficient to result in a more truly competitive market. Instead, a clearly monopolistic market sometimes exists; more often there exists an imperfectly competitive market structure.

As to the divergence of private and social costs and benefits, there is perhaps no philosophical area related to the finance of higher education that has received equal attention in recent years. Although many matters remain at issue, it is doubtful that there exists today a single informed observer who would maintain that all such costs and benefits should be assigned either totally to the individual or to society, or totally to both the individual and society. Clearly some costs and benefits are shared by both parties and some are not. In any case, total divergence does not occur.

Because certain methodological aspects of the perfectly competitive market model tend to limit rather severely the applicability of the market model to higher education and because the defining traits of higher education do not approximate the various conditions described as composing the market model, it is doubtful that a single alteration in higher education, such as rendering the student a consumer would result in significant changes in the competitive nature of higher education. For this reason, it would not be anticipated that the student funding mode would result in greatly enchanced institutional responsiveness to the instructional preferences of students.

There are also internal institutional constraints upon instructional responsiveness to student-consumers. Among these are institutional academic standards, including admission policies; faculty tenure, collective bargaining and academic freedom coupled with majority faculty control of the curriculum and of instruction; and the relatively small portion of total resources likely to be obtained by institutions from students.

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6. The student of economics will be more familiar with the term, production optimum.

7. This assertion is developed and documented on page 13 of the Leslie and Johnson paper, "The Market Model and Higher Education."

In conclusion, in this section it has been shown conceptually that the two most fundamental assumptions of the perfectly competitive market model are not satisfactorily approximated in higher education. And it has been shown that important practical constraints exist, affecting the ability of institutions to respond to the instructional demands of students.

Thus, it is asserted that the market model is inappropriate and inadequate as a policy basis for higher education and that the strategy of financing the instructional program directly through students is unlikely to result in the desired student-centered reforms. Now let us leave the theoretical and examine reality.

INSTITUTIONAL RESPONSIVENESS

Although as has been seen, institutional responsiveness to students is a normal outgrowth of a perfectly competitive market system, it has been stated that the mere channelling of higher education financial resources through students, particularly in the amounts presently projected, most likely would be insufficient to result in the level of institutional responsiveness presumed to be optimum for the purposes of instituting learner-centered reforms.

It does not follow logically, however, that it would be impossible to impose the market model upon higher education. Clearly, somewhere short of dictatorial imposition of the conditions necessary for a perfectly competitive market system, a market or quasi-market system could be realized. Further, it does not follow necessarily that instructional responsiveness can be realized only if a market system is fully realized or approximated, although realization of such a system theoretically would assure such responsiveness.

It is the major conclusion of this section that certain present conditions in higher education are indeed resulting in observable, minor to moderate broad institutional responsiveness to student-consumers in some post-secondary institutions. Some of this responsiveness might be labeled as learner-centered reform. Such conditions have been rare in higher education, but evidence exists that these conditions may be becoming characteristic of higher education and may linger at least through the 1980's.

The primary present condition appearing to be causing increased institutional responsiveness to students is increased competition. The recent decline in the rate of higher education enrollment growth[8] has resulted in greatly increased competition for students and a number of "market-type" institutional behaviors (e.g., advertising, "price discounting," instructional and programmatic changes.)

In the remainder of this section shall be presented evidences of increases in broad institutional responsiveness and then examples of specific instructional or programmatic changes that appear to be related to increased competition for students. The framework for this analysis and the application to higher education

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8. After declining for several years, enrollment growth in Fall of 1974, was up very slightly from 3.9 percent in 1973 to 4 percent.

is described in greater detail in Higher Education and the Steady State[9] and is borrowed from Joseph Schumpeter, who wrote on the evolution of capitalism.[10] Simply stated, it is argued that essential social systems,[11] such as higher education, respond to system-wide declines or interruptions in their growth rates in five general ways:

1. The introduction of a new good or a new grade of good already in use.

2. The introduction of a new method of production, e.g., a new type of labor-saving machinery.

3. The opening of new markets.

4. The employment of a new source of supply of factors of production.

5. The reorganization of an industry, several industries, or part of an industry, e.g., monopolization of some industry.

All five ways can be observed in varying degrees in higher education today. Most notable in magnitude and most relevant to the purposes of this paper are the first, third and fourth ways: new products, new markets and new resources (i.e., money). It is the former of these three adjustments to present conditions under which the various learner-centered reforms are grouped most appropriately, while broader forms of institutional responsiveness are grouped under the latter two categories and are discussed first.[12]

General Institutional Responsiveness--New Market and New Resources: As presented in Higher Education and the Steady State.

The list of lucrative new student markets is long and is still growing. First there are the traditional adult and transfer students (Carnegie Commission, August, 1973, p. 36), who represent markets that seldom have been cultivated

9. Larry L. Leslie and Howard F. Miller, Jr., Higher Education and the Steady State, (Washington, D.C.: ERIC/Higher Education Research Report No. 4, 1974, pp. 24-25).

10. Joseph Schumpeter, The Theory of Capitalistic Development, (Cambridge: Harvard University Press, 1934). It should be recognized that the origin and purpose of Schumpeter's framework were quite different from the use here.

11. See Leslie and Miller, "Higher Education and the Steady State," pp. 19-21, for a discussion of this term.

12. In most cases one cannot demonstrate cause and effect relationships between the leveling of enrollments and the present unusual activity in these five areas of innovation. Undoubtedly, many innovations in higher education would have occurred under business-as-usual conditions, but it is assumed that many have resulted from enrollment pressures. Preliminary analysis of data from a field study conducted by Howard F. Miller, Jr., suggests that many causal relationships do exist in Pennsylvania post-secondary institutions. Several references will be made to this study below.

in the past. There are also the academically unprepared of all ages, many of whom are disadvantaged (Losak 1973; Cross 1971; Roueche and Kirk 1973; and Roueche 1968). There are the married women; the older, working individuals; and the incarcerated. There are the markets created by other societal forces: the "new" students resulting from the upgrading of vocational and technical programs from 1-or 2-year st[illegible]s to baccalaureate equivalency; those representing lowered attrition rates [illegible]ch have resulted from the dollar incentives to colleges to keep students enrolled and from declining work availability; and those resulting from expansion of the "right to college" doctrine (Management Division 1971, p. 1). There are the non-traditional and seldom-mentioned markets characterized by Vista, the Youth Conservation Corps, and trade-union apprenticeship programs (Carnegie Commission, October 1973, p. 95), and there is perhaps the largest potential market of all: those in need of job retraining and updating (Huitt 1973, p. 18). Finally, there is the pre-college age market of high school juniors and seniors who meet academic standards of post-secondary level programs (Carnegie Commission, August, 1973, p. 6). All these and additional markets already are being explored in many institutions, particularly in community colleges.[13]

Some specific examples of new markets are[14]

Blue Collar Workers--

Establishment of the DC 37 Campus by the College of New Rochelle (N.Y.) in cooperation with District Council 37 of the Federation of State, County and Municipal Employees Union to offer instruction to Union members.

Establishment of an employment-based learning center by the Maine Maritime Academy in cooperation with the St. Regis Paper Mill.

Senior Citizens--

Institutions of special programs or special enrollment policies for the elderly at Vermont College, The City Colleges of Chicago, Indiana Central College, Lambuth College, Montgomery Community College, Northern Virginia Community College and the City University of New York. Currently much of this activity is of a tuition free/space available nature.

Introduction of legislation to reduce or waive tuition for the elderly has occurred in Connecticut, New Jersey, New York, South Carolina, Tennessee, Louisiana and Virginia.

Prisoners--

Offering of educational services to the incarcerated by the Pennsylvania State University, the City Colleges of Chicago, Montcalm Community College and

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13. See Leslie and Miller, "Higher Education and the Steady, State," pp. 35-36.

14. Examples are drawn from the NEXUS information exchange system and the Chronicle of Higher Education.

Jackson Community College and several campuses of the State University of New York. These services may take the form of classes within the penal institutions as well as on the campuses through partial or full release programs.

In the matter of generating new dollars,

Higher education has taken a back seat to few social institutions in its search for new fiscal resources. In its early days in America these resources came from individuals, churches, and to a lesser extent from local governments. Without forfeiting any of these funding sources, higher education progressed eventually to a greater reliance upon local and then upon state funds. Finally, the resources of the federal government were tapped. Today, in a period of general, relative decline the system is seeking to utilize more fully the resources of each of these forms of support. Individuals are being asked to pay higher tuitions; corporate bodies are being asked to raise their gift contributions; the states and localities are being pressed to make larger and larger appropriations; and finally, perhaps the largest effort of all is being made to capture more money from the federal government.15

Perhaps the best known and most common specific examples of institutional strategies in this second area of responsiveness, finance, involves the use of tuition reductions or modifications. This strategy broadly applies to private as well as public institutions, as state funds have begun to be channelled to private institutions. For public institutions, a tuition reduction may serve as a legislative lever." The strategy is to raise enrollments through changes in tuition policy and then apply pressures for public financing of the resulting new students. For private institutions, tuition reductions or modifications may serve to hold current students, while attracting new students. The strategy is to generate increased tuition revenues for the institution, resulting in lowered costs per student. The end result is the passing of savings on to all who enroll.

Some examples of these strategies include

Lowering of tuition at two campuses of the University of Wisconsin. The campuses, one rural and one semi-urban, experienced enrollment increases of 12.2 and 4.8 percent per $100 tuition reduction, respectively.

Establishment of a sliding tuition scale based on adjusted family income by Beloit College. Tuition will range from $800 to $1710 per term.

Institution of a flexible tuition plan at the University of the Pacific. Tuition increases and faculty salary increases will be tied to enrollment increases.

Establishment of a tuition reduction plan at Nichols College whereby one family member pays the full tuition charge and all other family members are eligible for a 50 percent reduction.

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15. See Leslie and Miller, "Higher Education and the Steady State," pp. 38-39.

Establishment of a "guaranteed cost plan" at Gustavus Adolphus College. Incoming students are eligible to purchase a $150 "insurance policy" to guarantee that their costs will remain constant for a four-year period.

Establishment of a "mastery learning or tuition refund" policy at Mitchell College. Students who diligently pursue course work will receive a prorated tuition refund for those courses failed.

Instructional and Programmatic Responsiveness--New Products: Institutional, instructional and programmatic modifications, which would include learner-centered reforms, may take the form of changes in time parameters as well as in the location and medium of instructional delivery.

The American Association of State Colleges and Universities (AASCU) compiled a listing of various modifications, by state and institution, relating to time shortened degree programs. Each of the modifications reported for the 260 institutions represented an apparent institutional effort to be responsive to student preferences and interests. A tabulation of the institutional data reported by AASCU by types of modification indicates the variety of modifications which can affect the length of formal study required for a degree.

TABLE I

INSTITUTIONAL PROGRAM MODIFICATIONS

Program Modifications	# of Institutions
Credit by examination	115
Challenge examinations	3
Revised curriculum	40
Modified calendar	41
Independent Study	15
Advanced placement	46
Overload	54
Summer study	58
University without walls	58
Correspondence courses	54
Early admission	15
Concurrent enrollment with high schools or community colleges	5
Combined Bachelor's and Master's degrees	38
Student self-pacing	39
External degrees	17
Credit for life experience	11
Credit for military courses	3

(Adapted from "Time Shortened Degree Programs," the Chronicle of Higher Education, February 25, 1974, p. 12).

Institution accommodations range from such traditional offerings as summer study to less traditional concepts such as the granting of collegiate credit for life experiences. Some of the modifications require only a small institutional financial commitment while others entail considerable development and implementation cost.

In selected cases, external financial support has been provided to assist in the establishment of some of the types of modifications cited in Table I. For example, the Union of Experimenting Colleges and Universities has established a time shortened baccalaureate degree program providing admission for selected high school juniors and seniors. The program, sponsored originally by the Fund for the Improvement of Postsecondary Education, will be offered through the member institutions. Current membership in the Union includes Antioch College (West Branch), College of Racine, Morgan State College, Shaw University, Skidmore College, and the University of Minnesota.

A somewhat different approach to attracting high school students has been initiated by LaGuardia Community College of the City University of New York. The college, with initial funding from the Carnegie Corporation of New York and the Fund for the Improvement of Postsecondary Education, has designed an intermediate or middle college. Basically, the program encompasses the last three years of high school and the first two years of college. The middle college program, which is designed for a five-year tenure, can be completed within three years.

Examples of two of the most broadly targeted higher education programs are the open learning system developed by the State University of Nebraska and a "newspaper course" coordinated by the University of California at San Diego. The open learning system utilizes the television for the major delivery of educational offerings. The program, with initial funding from the National Institute of Education, is designed to provide instruction to a broadly dispersed home audience.

The home audience is also integral to the "newspaper course" currently administered by the University of California at San Diego. The project, financed by the National Endowment for the Humanities and the Exxon Educational Foundation, provides for the mass newspaper printing of educational essays. Approximately 200 educational institutions initially were associated with and granted credit for participation in this project. The first course, entitled "America and the Future of Man" was carried by approximately 270 newspapers and generated over 4,900 credit enrollments. In addition, over 6,000 individuals purchased supplementary learning materials.

In the Pennsylvania study cited earlier, Miller interviewed key college and university personnel and was able to connect, in part, instructional and programmatic adjustments, in most institutions sampled, to enrollment or financial concerns. Using as his unit of analysis, academic department, Miller found in seven institutions the following kinds of instructional or programmatic responses that were financially motivated learner-centered reforms:

Developments Identified as Strategies to Attract New Students to the Campus--

Creation of a joint B.A. medical technology program between a biology department and a local hospital.

Creation of a pre-physical therapy program by a chemistry department.

Joint offering, by a French department and a business school, of a B.A. for students with interests and career plans in international business. The same French department is offering a D.Ed. for high school teachers of French.

Awarding of dual certification in general elementary or secondary education and in special education.

Attempting to gain accreditation for a sociology department to offer a B.A. program in social work.

Introduction of new associate degree programs.

Offering of an interdisciplinary B.S. in engineering in order to provide job-seeking flexibility. Another institution offers a new B.A. in engineering for those interested in management careers.

Offering a course on any subject in which 10 or more people state a need.

Developments Identified as Strategies to Compete for Students Internally Within an Institution--

Offering service courses in the environment and in energy by an engineering school.

Offering introductory conversational courses in languages. Formerly, such courses were held in much lower esteem by departmental faculties and were offered much less frequently.

Offering philosophy courses in the area of business ethics and medical ethics at an institution where a majority of students major in business and pre-medicine.

Summary: It has been seen in this section that the recent decline in the rate of higher education enrollment growth has resulted in increased competition for students. To private institutions, new students represent a life-sustaining flow of resources. To public institutions, tuition revenues are less important, and the implicit strategy is to use higher enrollments as a lever for increased governmental aid.

Higher education institutions were seen to be responding by attempting to establish new markets and to find new financial resources. Also, there was seen to be considerable effort to respond with programmatic and instructional reforms although there was very little of the latter.

In short, increased institutional responsiveness to students was observed although responses tended overwhelmingly to be of a general, programmatic nature. The pressures to be more responsive to students are being felt but at present the institutions appear to be in complete control of the form and substance of that response.

Students may be coming more and more to "pay the piper," but they are not yet "calling the tune." If specific "learner-centered" reforms are occurring, they are only faintly identifiable even though overall institutional responsiveness to students is clearly on the rise.

SUMMARY AND CONCLUSION

The financing of learner-centered reforms has been shown to imply atypical funding strategies. It has been suggested, through deduction and the process of elimination, that the specific strategy implied is the financing of such reforms through students.

The perfectly competitive market model was suggested as the theoretical construct represented by the student-as-consumer concept. This model was identified for the purposes of policy analysis.

The analysis showed that the market model was insufficient and inappropriate as a policy base for analyzing higher education; and it was deemed highly unlikely that, given the present characteristics of higher education, channelling monies through students would result in the institutional responsiveness necessary for generating significant learner-centered reforms.

An examination of empirical evidence revealed present unusual institutional responsiveness to students, appearing largely to be in response to the general decline in the rate of enrollment growth. Institutional responsiveness was categorized into the search for new higher education markets, new financial resources and new higher education products--instructional and programmatic. This latter category represented forms of institutional responsiveness most closely akin to learner-centered reforms although it was difficult to identify specific reforms that were clearly of this nature.

In conclusion one policy question remains largely unanswered. It has been seen that, coupled with the greatly increased inter- and intra-institutional competition for students, the potential exists for imposing a market system upon higher education. Without question, institutions can be forced to be more responsive to the needs and desires of learners, and we are enthusiastic in our support for learner-centered reforms. The bringing about of these reforms through the channelling of public resources through students, however, raises an important policy issue.

This basic issue can be discussed properly only in the context of a framework of purposes for higher education,[16] for it is commonly accepted that each of the several purposes of higher education suggests a particular funding strategy varying from the funding strategies of other purposes, sometimes totally and sometimes in degree rather than in kind.

One such framework of goals was composed for a recent Carnegie Commission report:[17]

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16. Virtually all the various national task forces studying the finance of higher education in recent years adopted this approach.

17. The Carnegie Commission on Higher Education, The Purposes and Performance of Higher Education in the United States: Approaching the Year 2000, (New York: McGraw-Hill, 1973).

1. The provision of opportunities for the intellectual, aesthetic, ethical, and skill development of individual students, and the provisions of campus environments which can constructively assist students in their more general development growth;

2. The advancement of human capability in society at large;

3. The enlargement of educational justice for the post-secondary age group;

4. The transmission and advancement of learning and wisdom;

5. The critical evaluation of society--through individual thought and persuasion--for the sake of society's self-renewal.

Most observers have agreed that such a framework of purposes does call for an eclectic funding approach. On this point there is very little disagreement; controversy arises only in matters of emphasis.

Although greater reliance upon the student funding mode probably would advance the third goal, in our view there exists a present danger that undesirable side effects would result: namely, diminution of those higher education purposes that can be advanced and in some cases jealously guarded only when institutions have at their disposal a significant amount of discretionary income.

Without this discretionary income and the resulting buffering of institutions from society, the liberal arts never could have been maintained at their present levels and there perhaps never would have been, for example, broad societal responses to McCarthyism, racism, and the Viet Nam War. In any case it is our belief that institutions of higher education already may have been thrust too far into the political arena as institutional "accountability" has become more and more a public watchword. Although we are hopeful that learner-centered reforms will continue to be advanced, we fear that long-term insistence upon a market approach to financing will eventually coerce American higher education into becoming just another social system. If that should occur, one of the most basic cornerstones of a free society would be lost.

For these and other reasons we favor the financing of learner-centered reforms through conventional approaches. Institutions of higher education have shown and are showing a general responsiveness to students, and we have every reason to believe that they will continue to do so. We also hold to our belief that the eclectic funding strategies that have evolved over time have served well all the purposes of higher education including those that allow institutions at times to be a bit "unresponsive" to society should that appear to be to the long-term benefit of the larger social order.